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25 January 1956

MEMORANDUM FOR THE RECORD

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FROM : Chief, Budget Division

SUBJECT: Proposed CIA Legislation

1. A meeting was held at the Bureau of the Budget on Wednesday, 25 January 1956, to discuss the proposed CIA legislation which had been submitted to the Bureau of the Budget. The following were present:

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|--------------|------------------------|
| Mr. Macy | - Bureau of the Budget |
| Mr. Perry | - " " " " |
| Mr. Hamilton | - " " " " |
| Mr. Severy | - " " " " |
| Mr. Read | - " " " " |
| Col. White | - CIA |
| Mr. Warner | - CIA |
| | - CIA |
| Mr. Paul | - CIA |
| | - CIA (Logistics) |
| | - CIA |

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2. A number of suggestions and comments submitted by Mr. Philip Young were discussed. It appeared that the suggestions were namely of the character that could be worked out. A number of specific suggestions were considered good, and it was agreed that the language could be changed in accordance with the proposals, but it was further believed that they would have to be reviewed carefully within the Agency to determine whether or not other amendments would be required in the proposed legislation. Messrs. Severy and Warner were to get together to work out the details on such language changes.

3. A major problem raised was the request of authority by the Agency to make certain payments in territories and possessions. Mr. Severy pointed out that this was directly opposed to general governmental policy. It was also indicated that it was probable that such proposals would be critically reviewed by Congress. Messrs. Severy and Macy made statements which indicated there were considerable questions in their minds as to the advisability of requesting such authority. The problems encountered by the Agency were described and the fact that the Armed Services Committees would consider the legislation was also mentioned. The Bureau of the Budget representatives did not indicate what their final position might be in connection with this point (see proposed Sections 2 and 12).

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4. Considerable discussion revolved around the issue as to whether separate legislation should be obtained by the CIA or existing legislation should be incorporated in CIA legislation by reference. The general position taken by Col. White, Mr. Warner, and others was that CIA legislation should be complete in itself and should not depend on legislation of other Agencies.

5. Section 14 on Death Gratuities was discussed and the Bureau of the Budget representatives expressed some question as to the advisability of requesting this particular section. They did not, however, indicate that it could not be approved.

6. The sections on Medical Benefits and Accelerated Retirements (see Sections 8, 9, 10, and 17) were discussed. Mr. Macy pointed out that the question of Medical Benefits for Dependents and Retirement was now under policy consideration and, as a result, they could not formulate any views on these issues until the policy of the Executive Branch was more firmly developed. He further indicated that it would probably be necessary to have supplemental discussions on these sections.

7. No questions were raised during the course of the discussion as to the possible costs, except in the case of Death Gratuities. Col. White indicated that in one year CIA had 19 cases that would be subject to this payment, and last year there were 13 such cases.

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